
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 10.7.2010

Wall Street Journal: "Mortgage Investors Are Set for More Pain ... For mortgage investors, the recent suspension of foreclosures could potentially cause further losses in the already-battered \$2.8 trillion market for residential mortgage-backed securities."

Wall Street Journal: "The Mutual Fund in the 'Flash Crash' ... In the quest to find the culprit in the May 6 "flash crash," regulators have pointed the finger at a little-known mutual fund based in a nondescript office park outside Kansas City."

Wall Street Journal: "As Market Sank, Waddell Traders Were at an Event ... On the day that a Kansas City-area firm made a trade that regulators are pointing to as a cause of the "flash crash," traders gathered in a downtown hotel there for a fund-raising event that began before the market's deepest swoon and continued well into the evening."

Wall Street Journal: "Debt Crisis Dims IMF Outlook ... Global growth will slow more than expected in 2011 as European public-debt problems continue to undermine the recovery in industrialized nations, the International Monetary Fund said Wednesday."

Wall Street Journal: "Finra Orders Lincoln to Pay \$4.3 Million to Investors ... Lincoln Financial Advisors Corp. must pay more than \$4.3 million to a group of 22 investors who accused a manager at the firm of "selling away," according to a securities arbitration ruling."

Wall Street Journal: "Geithner's 'Cooperation' ... Treasury Secretary Timothy Geithner is finally waking up to the danger of currency protectionism, going so far yesterday as to invoke the Bretton Woods accord of 1944 that produced a generation of exchange-rate stability."

Washington Post: "In foreclosure controversy, problems run deeper than flawed paperwork ... Millions of U.S. mortgages have been shuttled around the global financial system - sold and resold by firms - without the documents that traditionally prove who legally owns the loans."

Washington Post: "Justice Department proposal for Visa, MasterCard would help consumers define cost of using credit cards ... It's been a long time since a retail clerk has asked me whether I was paying with cash or credit."

Washington Post: "Geithner stokes world pressure on China over currency ... The Obama administration is trying to escalate international pressure on China to change how it manages its currency, casting a global focus on what U.S. officials say has become a major risk to the economic recovery."

Washington Post: "Lehman's Do-Over Quest Runs Against Facts in Court: Ann Woolner ... Barclays Plc was something of a hero two years ago, having stepped forward to buy much of Lehman Brothers Holdings Inc. when no one else would touch the bankrupt brokerage."

Washington Post: "Greenspan Would Spot These Interest-Rate Bubbles: Matthew Lynn ... Former Federal Reserve Chairman Alan Greenspan once said there wasn't much that central bankers could do about asset-price bubbles because it's too hard to spot them until after they have burst."

Washington Post: "AIG's Real Numbers Still Shrouded in Secrecy: Jonathan Weil ... American International Group Inc., the bailed-out insurance company, says it's poised to emerge as a "financially strong, independent company" once it repays the U.S. government. That claim might be more credible if AIG started showing a truer picture of its financial condition."

Washington Post: "Basel Capital Rules Need U.S. Support, Barnier Says ... Banks in the European Union risk being left at a disadvantage if the U.S. fails to adopt global capital rules, the region's financial-services chief said."

NY Times: "European Central Banks Hold Rates Steady ... The two most important central banks in Europe chose Thursday not to change their interest rates, despite recent suggestions that some monetary authorities might re-double efforts to stimulate economic activity."

LA Times: "SEC seeks to introduce new evidence in upcoming trial of ex-Countrywide execs ... The government is trying to introduce new evidence at the upcoming trial of former Countrywide Financial Corp. Chairman Angelo R. Mozilo and two former top executives to show that they knew about the company's alleged misdeeds during the frenzied housing boom and its catastrophic bust."

USA Today: "Our view on markets: Flash-crash analysis leaves investors reason to worry ... Thanks to a four-month study by government regulators, we finally know what happened on May 6 when the Dow Jones average plummeted nearly 1,000 points in a matter of minutes, then rebounded."

USA Today: "Opposing view on markets: SEC, CFTC weighing safeguards ... The missions of the Securities and Exchange Commission and the Commodity Futures Trading Commission are to protect investors and ensure our derivatives and securities markets are as fair, transparent and efficient as possible. Both agencies have been engaged in a comprehensive review of the structures of our markets to determine how we can improve the way they work."